



UPPER MERION & PLYMOUTH RAILROAD COMPANY

A SUBSIDIARY OF FSC CORPORATION

Box 404

RECORDATION NO. 13564 Filed 1425

CONSHOHOCKEN, PA. 19428

2-058A057

FEB 25 1982-3 10 PM

TELEPHONE: (215) 275-2066

13564 B

February 19, 1982
INTERSTATE COMMERCE COMMISSION

FEB 25 1982-3 10 PM

No. FEB 25 1982
Date.....
Fee \$.....

Ms. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, DC 20423

INTERSTATE COMMERCE COMMISSION

13564 A ICC Washington, D. C. 13564
RECORDATION NO. Filed 1425

FEB 25 1982-3 10 PM

FEB 25 1982-3 10 PM

Dear Madam:

INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

Enclosed for recordation pursuant to the provisions of Section 11303 of Title 49 of the United States Code and the regulations thereunder are the original and one copy each of Lease Agreement, a primary document, dated April 9, 1979, Security Agreement, a primary document, dated November 9, 1979; including amendments to the Lease Agreement and Security Agreement dated September 17, 1980, January 6, 1982 and February 2, 1982 respectively.

The names and addresses of the parties to the enclosed documents are:

A. Lease Agreement ✓

Lessor: Upper Merion & Plymouth Railroad Co.
P.O. Box 404
Conshohocken, Pennsylvania 19428

Lessee: Octoraro Railway, Inc.
P.O. Box 146
Kennett Square, Pennsylvania 19348

B. Security Agreement ✓

Secured Party: Upper Merion & Plymouth Railroad Co.
P.O. Box 404
Conshohocken, Pennsylvania 19428

Debtor: Octoraro Railway, Inc.
P.O. Box 146
Kennett Square, Pennsylvania 19348

A general description of the railroad equipment covered by the enclosed documents is, as follows:

286 52' 6", 100 ton gondola cars bearing reporting mark and numbers OCTR 5000-5175 inclusive, except 5086, 5096, 5106, 5111, 5115, 5117, 5120, 5124, 5129, 5136, 5138, 5141, 5148, 5149, 5159, 5161, 5169, 5171, 5172, 5174.
OCTR 5500-OCTR 5629 inclusive.

Ms. Agatha Mergenovich
Interstate Commerce Commission
February 19, 1982
Page 2

The original and all copies of the enclosed documents should be returned to Ms. Sharon Schumacher of Funding Systems Railcars, Inc., 2215 Sanders Road, Suite 370, Northbrook, Illinois 60062.

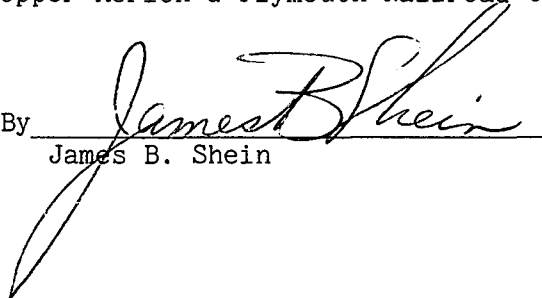
Also enclosed is a remittance in the amount of \$100.00 for payment of recordation fees.

I am an officer of Upper Merion & Plymouth Railroad Co. and have knowledge of the matters set forth herein.

Very truly yours,

Upper Merion & Plymouth Railroad Co.

By


James B. Shein

RECORDATION NO.

13564/A

Filed 1425

FEB 25 1982 3 10 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

Dated as of November 9, 19 79

BETWEEN

UPPER MERION AND PLYMOUTH RAILROAD COMPANY

("SECURED PARTY")

AND

OCTORARO RAILWAY, INC.

("DEBTOR")

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is entered into as of the 9th day of November, 19 79, by and between UPPER MERION AND PLYMOUTH RAILROAD COMPANY (the "Secured Party") and OCTORARO RAILWAY, INC. (the "Debtor").

WHEREAS, the parties hereto propose to enter into a certain Lease Agreement (the "Lease") of even date herewith between Secured Party as lessor and Debtor as lessee, whereby Debtor will lease from and manage for the Secured Party certain items of railroad equipment (collectively, the "Equipment" and individually, an "Item of Equipment"). Said Equipment is more fully described on Schedule A attached hereto and may be amended from time to time with the consent of both parties hereto.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do agree as follows:

1. Security Interest. In order to induce Secured Party to enter into the Lease and to secure the obligations of Debtor to Secured Party under the Lease, whether now existing or hereafter incurred and as may be amended from time to time, Debtor hereby grants to Secured Party as security interest in the Collateral described below.

2. Collateral. The Collateral referred to in Paragraph 1 above is Lessee's leasehold interest in the Equipment and all of its right, title and interest in and to all accounts, chattel paper, contract rights, general intangibles, instruments, per diem and incentive per diem charges, mileage charges, income, revenue and other proceeds arising therefrom or in connection therewith or in connection with the use, lease, operation, control or possession of the Equipment.

3. Covenants. Debtor covenants and represents as follows:

(a) Debtor will warrant and defend the Collateral against the claims and demands of all persons.

(b) Debtor shall execute and deliver UCC-1 financing statements or other documents required by Secured Party to perfect its security interest in the Collateral.

4. Representations and Warranties of Debtor. Debtor represents and warrants as follows:

(a) Debtor is a corporation legally incorporated, validly existing and in good standing under the laws of the state of its incorporation, with adequate corporate powers to own its

[Handwritten signature]
11/23

STATE OF PA)
COUNTY OF MONTGOMERY) SS:

On this 9th day of November, 1979, before me, personally appeared J. Noel Ball, to me personally known, who being by me duly sworn, says that he is a Vice President, General Manager of Upper Merion and Plymouth Railroad Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Diane E. Hertzog
Notary Public

DIANE E. HERTZOG, Notary Public
Norristown, Montgomery Co., PA
My Commission Expires May 12, 1980

(SEAL)

STATE OF Pennsylvania)
COUNTY OF Chester) SS:

On this 9th day of November, 1979, before me, personally appeared Mark S. Bennett, to me personally known, who being by me duly sworn, says that he is a President, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Wenona W. Harris
Notary Public

(SEAL)

WENONA W. HARRIS, Notary Public
Kenneth Square, Chester County
My Commission Expires Jan. 23, 1980

properties, to carry on its business as now conducted and to enter the Security Agreement and to execute and deliver the Lease Agreement.

(b) The Lease and Security Agreement have been duly authorized, executed and delivered by Debtor and constitute legal, valid and binding obligations of Debtor, enforceable in accordance with their respective terms.

5. Default. Any misrepresentation on the part of Debtor herein or any noncompliance or nonperformance of Debtor's obligations hereunder or the occurrence of an Event of Default under the Lease shall constitute a default hereunder.

6. Remedies. Upon the occurrence of a default hereunder, Secured Party shall have all the rights provided under the Interstate Commerce Act and under the Uniform Commercial Code as adopted in Pennsylvania.

7. Inspection of Records. Secured Party may at any reasonable time, enter upon Debtor's premises to inspect Debtor's books and records pertaining to the Collateral, and Debtor shall, if requested, assist Secured Party in making such inspections.

8. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

9. Benefits. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ATTEST:

Maureen E. Kertzog

UPPER MERION AND PLYMOUTH
RAILROAD COMPANY

By J. Noel Bull
Title: Vice President & General Manager
OCTORARO RAILWAY, INC.

ATTEST:

Richard A. Page

Debtor

By Mar S. Bennett
Title: President

F/M7

SCHEDULE A

DESCRIPTION OF EQUIPMENT: ³⁰⁰ Fifty-two (52) foot, six inch one-hundred
^ ton gondolas. *JB* HSB

REPORTING NUMBERS AND MARKS: OCIR 5000 to 5299 *JB* HSB